

SECRET

DOMINICAN REPUBLIC

I. The restoration of civil government on 18 January, after General Rodriguez Echevarria's unsuccessful two-day effort to impose military rule, has eliminated the immediate danger of civil war and greatly improved the chances of an orderly evolution toward responsible government.

A. The first action of the seven-man Council of State upon its restoration was to accept the resignation of President Balaguer and replace him with Council Vice President Rafael Bonelly.

B. The Council of State, which took office first on 1 January as a transitional regime to hold office with executive and legislative power until replaced in February 1963 with an elected government, is composed entirely of politically moderate civilians friendly to the US. Bonelly, who as Council President is armed forces commander-in-chief, is strongly committed to the principle of the supremacy of civil over military power.

C. The action by air force and army units in restoring the Council on 18 January was, in effect, a military coup against Rodriguez, and he is likely to be sent into "diplomatic exile." General Felix Hermida, at present the highly respected Secretary of the Interior, is likely to play an important role in the armed forces.

SECRET

II. Communists and pro-Castro elements had been planning to go underground in an attempt to lead the popular struggle against the military regime and stood to gain from the general popular repudiation of Rodriguez' action, which they--as Havana and Moscow--termed a "new dictatorship imposed by Yankee imperialism."

A. The leader of the small "14 of June party," which is dominated by pro-Castro elements, charged after the restoration of the Council of State that "foreign reactionaries are again trying to maneuver against the people" and called for the immediate installation of a "national unity government."